

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team
at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**.

****All fields must be completed.****
Incomplete request forms will be returned to sender which may cause a delay in processing.

Date of Request: July 17, 2017

Please mark one: **Bill Request** or **Resolution Request**

1. Has your agency submitted this request in the last 12 months?

Yes **No**

If yes, please explain:

2. Title: A bill for an ordinance by the Council of the City and County of Denver, sitting ex-officio as the Board of Directors of the Denver 14th Street General Improvement District, making certain findings and approving the issuance of \$4 million principal amount of Refunding Revenue Notes; imposing capital charges; imposing maintenance charges; and approving and adopting an Amended Budget for the 2017 fiscal year.

3. Requesting Agency: Department of Finance

4. Contact Person(s): (With actual knowledge of proposed ordinance/resolution.)

- **Name:** Michael Kerrigan – Sr. Financial Analyst
- **Phone:** 720-913-5550
- **Email:** Michael.Kerrigan@denvergov.org

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- **Phone:** 720-913-5550
- **Email:** Michael.Kerrigan@denvergov.org

6. General description of proposed ordinance including contract scope of work if applicable:

****Please complete the following fields:** (Incomplete fields may result in a delay in processing. If a field is not applicable, please enter N/A for that field.)

- a. **Contract Control Number:** N/A
- b. **Duration:** Maturity date 2034, same as existing bonds.
- c. **Location:** Downtown, both sides of 14th Street between Market St. to Colfax Ave.
- d. **Affected Council District:** Council District #9 – Albus Brooks
- e. **Benefits:** Interest cost savings for the GID.
- f. **Costs:** No costs to the City

7. Is there any controversy surrounding this ordinance? (Groups or individuals who may have concerns about it?) **Please explain.** No controversy expected.

To be completed by Mayor's Legislative Team:

SIRE Tracking Number: _____

Date Entered: _____

EXECUTIVE SUMMARY

Ordinance to authorize refunding of the 14th Street General Improvement District's \$4,000,000 bonds issued in 2010.

The Denver 14th Street General Improvement District (GID), a Title 31 Special District, was created by Council and approved by the electors within the GID in response to the "14th Street Initiative", creating a partnership between the Downtown Denver Partnership and the City and County of Denver to create Downtown's "Ambassador Street." The initiative visualized 14th Street between Market and Colfax as both a thriving pedestrian promenade and a major gateway to Downtown for vehicular traffic. The plan contemplated streetscape enhancements and related public infrastructure improvements. The creation ordinance for the GID provides that City Council is the ex-officio board of directors for the District, it also provides for the creation of the District Advisory Board who generally oversees day to day management of the District. The District's board of directors has retained management and control for several specific items including debt approval.

At a TABOR election in 2009 a majority of the qualified electors of the District authorized the issuance of indebtedness in an amount not to exceed \$4,000,000. Subsequent to the TABOR election the District issued a \$4,000,000 bond in 2010 and used the debt proceeds to fund a portion of the costs for the streetscape enhancements related to infrastructure improvements to achieve the 14th Street Initiative vision.

Wanting to capitalize on lower financing costs, in the spring of 2017 the District Advisory Board requested proposals from bank solicitors to help in its refunding efforts for its existing debt. RBC Capital Markets, LLC was chosen as the bank solicitor. RBC obtained refunding proposals from six local lenders; after review of the proposals the District Advisory Board has recommended for approval to the District board of directors the Vectra Bank proposal.

Vectra Bank proposal highlights

- Par Amount: \$4,000,000 no new money
- Term: 17-year term, matures 2034, aligns with term of originally issued bonds in 2010.
- Rate Lock: Interest rate locked at 2.73% to August 25, 2017.
- Interest Rate: fixed for 15 years at 2.73%, subject to annual resets starting in 2032 (year 16) at the then 1-year FHLB rate, in any event no greater than 10%.
- Present Value Savings: \$605,176 in present value savings, assuming 7% interest during reset period (7% is current 2010 bond interest rate). Present value savings represents 17.11% of refunded bonds.
- Prepayment/Call Options:
 - Years 1-6 callable at 101.5%
 - Years 6-10 callable at 101%
 - Years 11-15 callable at 100.5%
 - Years 16-17 callable at par.

Attached is the City Council schedule.

Consent agenda requested based on conversations with CW Kniech and CM Brooks' offices. The fixed interest rate being offered by Vectra Bank is fixed until August 25th, due to crowded Council Committee schedules, we are requesting this item be placed on the consent agenda. Doing so will allow the Council legislative process to conclude by August 14th leaving one week buffer for contingency.

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